GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3942
ANSWERED ON:09.12.2016
Cess and Surcharges on Income Tax
Choudhary Col. (Retd) Sona Ram

Will the Minister of FINANCE be pleased to state:

(a) whether cess and surcharges on income tax and other Central Taxes like the education cess is for funding the Central scheme on States subject and are not counted as a part of the divisible pool;
(b) if so, the details thereof;
(c) whether Government is considering to count cesses and surcharges as a part of the divisible pool; and
(d) if so, the details thereof and action taken thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) & (b) : Cess and Surcharges on various taxes are used to fund programme and activities of the Central Government. As per Article 270 of the Constitution, surcharge on taxes and other duties referred to in Article 271 and any cess levied for specific purposes under any law made by Parliament are not shareable between the Union and the States. A list of estimates of cesses, surcharges and other duties as per Budget Estimates for 2016-17 is in Annexure.

(c) & (d) : No, Sir.